

SEPTEMBER 2003 HIGHLIGHTS

September was another strong month for New Jersey's construction industry. The estimated cost of construction authorized by building permits was \$922.1 million. New houses accounted for much of this activity. Residential work totaled \$583.3 million, 63.2 percent of the estimated cost of construction authorized by permits. Work on nonresidential buildings accounted for \$339.1 million, 36.8 percent; 524 municipalities reported. The number of new houses authorized was 3,076. This was the largest monthly total in more than two years.

Jersey City in Hudson County had the most work in September: \$34.3 million. The City of Newark in Essex County ranked second with \$25.6 million. A strong demand for new houses was evident in both cities. Jersey City had 132 authorized units in September, second only to Newark with 198 authorized units. The biggest housing development in Jersey City in September was an \$11.5-million apartment complex that will have 71 market-rate units. Most of the housing construction in Newark consisted of smaller multifamily buildings. The largest housing development in September had 21 units. Since January 2003, Newark and Jersey City have issued building permits for 1,271 and 722 new dwelling units, respectively, more than any other locality. Two other cities have seen a boom in housing this year. Elizabeth in Union County had 325 authorized units (ranking 10th among municipalities) and Hoboken in Hudson County reported 272 authorized units (19th).

Big cities also appear at the top with the most work. Newark leads all communities with \$179 million through the first nine months of 2003. Jersey City ranks 2nd with \$163.4 million. Atlantic City in Atlantic County ranks 4th with \$114.2 million, and Hoboken and the City of New Brunswick (Middlesex County) rank 9th and 12th with \$83.5 million and \$73.1 million of work authorized by permits, respectively.

Major Construction Indicators, New Jersey: Nine-Month Comparison				
Period	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
January – September 1997	\$6,035,067,039	20,715	8,576,567	4,007,958
January – September 1998	\$6,678,258,864	24,609	8,647,701	5,745,808
January – September 1999	\$7,914,223,933	27,654	9,297,792	5,115,191
January – September 2000	\$7,903,432,878	26,486	9,917,532	3,838,654
January – September 2001	\$9,342,508,663	25,419	15,411,962	5,382,939
January – September 2002	\$8,999,773,233	25,351	7,727,817	6,286,676
January – September 2003	\$8,513,886,239	25,405	7,200,118	4,379,191
<i>Difference Between 2002 and 2003</i>				
2002 - 2003	-\$485,886,994	54	-527,699	-1,907,485
Percent Change	-5.4%	0.2%	-6.8%	-30.3%

Source: N.J. Department of Community Affairs, 11/10/03

New House Prices

The price of a new house grew significantly. In the third quarter of 2003, 5,370 new houses began enrollment in a new home warranty program. Half of these had a sales price greater than \$300,000. This was an 11.2-percent increase over the median sales price last quarter. Hunterdon County had the most expensive houses. Half of the 109 new houses that began enrollment in the third quarter of 2003 had a sale price greater than \$553,425. Most new houses built in the State are required to enroll in a warranty program. The exception is rental houses and new units where the homeowner acted as his or her own contractor.

New House Prices			
Period	Number of New Houses	Median Sales Price	Percent Change in Sales Price
1996	20,903	\$183,300	
1997	21,640	\$190,000	3.7%
1998	23,884	\$209,980	10.5%
1999	24,479	\$224,496	6.9%
2000	25,058	\$231,728	3.2%
2001	23,272	\$253,670	9.5%
2002	23,647	\$274,705	8.3%
1 st Quarter 2003	4,632	\$251,056	-8.6%
2 nd Quarter 2003	5,361	\$269,900	7.5%
3 rd Quarter 2003	5,370	\$300,000	11.2%
Source: N.J. Department of Community Affairs, 11/10/03			